



State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

6 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-1370 FAX (603) 271-1381

June 19, 2002



Bruce Treat
Property Manager
Homestead Woolen Mills, Inc.
7 Winchester Street
West Swanzey, New Hampshire 03469

CERTIFIED MAIL (7099 3400 0003 0687 2615)
RETURN RECEIPT REQUESTED

LETTER OF DEFICIENCY
ARD No. 2002-005

Dear Mr. Treat

On August 16, 2001, the New Hampshire Department of Environmental Services, Air Resources Division ("DES") performed a compliance inspection of Homestead Woolen Mills, Inc. located at 7 Winchester Street, West Swanzey ("Homestead"). In addition to the on-site inspection, DES conducted a subsequent file review. The purpose of the inspection and file review was to evaluate compliance with State Permit to Operate PO-B-0279 ("the Permit"), and the NH Admin. Rules Env-A 100 *et seq.* NH Rules Governing The Control of Air Pollution.

As a result of the inspection and file review, this Letter of Deficiency "LOD") is being sent to identify the following deficiencies:

1. Env-A 608.10(a) requires Homestead to submit an application for permit renewal at least 90 days prior to the designated expiration date of the existing state permit to operate. At the time of the inspection, Homestead had been operating with an expired permit for 12 months. The most recent Permit was issued on February 16, 1996 and expired on August 31, 2000. DES did not receive an application for renewal of the Permit until August 27, 2001;
2. Env-A 608.08(b) states that the expiration of a state permit to operate shall terminate the right to operate under the permit unless a timely and complete renewal application has been submitted to DES. Since Homestead allowed the Permit to expire without submitting a renewal to DES, Homestead terminated its right to operate under the Permit, and was, therefore, operating without a valid Permit;
3. The Permit requires Homestead to maintain monthly records of the total fuel consumed in the Preferred Boiler, as follows:
 - a) Condition G.1 of the Permit issued on August 27, 1992 (valid until August 31, 1995) required Homestead to submit to DES quarterly reports of monthly fuel usage and a 12 month rolling total of fuel usage; and
 - b) Condition G.2 of the Permit issued on February 16, 1996 (valid until August 31, 2000) required Homestead to submit quarterly reports of fuel usage for each of the preceding 12 calendar months.

Homestead did not submit to DES the fuel usage information for calendar years 1995 through 2001, as required by the Permits;

4. Condition C.3 of the Permit issued on February 16, 1996 (valid until August 31, 2000) limited Homestead to combusting no more than 60,000 gallons of #6 fuel oil in the Preferred Boiler during any consecutive 12 month period. The data provided to DES during the inspection showed that Homestead combusted 72,000 gallons of #6 fuel oil in calendar year 1997.

This exceeds the fuel limit in the Permit. Since the annual emission limits stated in the Permit for nitrogen oxides, sulfur dioxide, carbon monoxide, particulate matter and non-exempt volatile organic compounds are based upon the combustion of no more than 60,000 gallons of #6 fuel oil, Homestead also exceeded the permitted emission limits for these pollutants:

5. Env-A 907.01 requires Homestead to submit an annual emission report to DES. The report shall include the actual emissions of the boiler and the methods used in calculating such emissions and all of the information in accordance with Env-A 903.03. Env-A 907.01(c) (effective 4/23/99) requires that, beginning with calendar year 1999, the annual emissions report shall be submitted to DES by April 15 of the following year. At the time of the inspection, Homestead had not submitted any emission reports for calendar years 1999 or 2000; and

6. Pursuant to Env-A 701.02, the owner or operator of a stationary source or device which requires a permit to operate pursuant to Env-A 600 is required to pay emission-based fees to the Division each year starting in calendar year 1995 for calendar year 1994 actual emissions. Homestead has not paid any emission-based fees for calendar years 1994 through 2000.

DES believes that the above-noted deficiencies can be resolved by Homestead taking the following actions:

7. Within 30 days of receipt of this LOD, submit to DES the annual emission reports required by Env-A 907.01, General Reporting Requirements for the Preferred Boiler for calendar years 1999 and 2000. The reports shall include the actual emissions of the boiler and the methods used in calculating such emissions in accordance with Env-A 903.03;

8. Within 30 days receipt of this LOD, submit the annual report of fuel consumption and emissions for calendar year 2001 in accordance with Env-A 900 and Condition IX, Reporting Requirements of the Permit, reissued on October 29, 2001 (valid until October 31, 2006); and

9. Enclosed with this LOD is an invoice for emissions fees for Homestead's actual emissions in calendar years 1994 through 2000. These emissions are calculated based on fuel consumption data that was provided to DES during the inspection. Please submit payment of the past due fees in the amount of \$2,743.99 within 30 days of receipt of this letter.

In addition to the above requested actions, DES wants to remind Homestead that it is required to comply with all of the terms and conditions of the Permit and of the NH Administrative Rules. Specifically, DES wants to emphasize the following requirements:

10. In accordance with Env-A 608.10(a), an application for renewal of the Permit is required to be filed with DES at least 90 days prior to its designated expiration date:

11. In accordance with Env-A 612.03, an application for a permit amendment must be filed with DES prior to making a change to the physical structure or operation of the Preferred Boiler (the device covered by the Permit) which increases the amount of a specific air pollutant currently emitted or which results in the emission of any regulated air pollutant currently not emitted by Homestead. The written request for the amendment must be filed at least 90 days prior to the change. The 1999 fuel switch from #6 fuel oil to #4 fuel oil resulted in decreased emissions due to a lower fuel sulfur content. A switch to a higher fuel sulfur content would result in an increase in sulfur dioxide emissions, and would require a notification to DES in accordance with Env-A 612.03; and

12. Condition III.C of the Permit, which was reissued on October 29, 2001, limits Homestead to combusting no more than 60,000 gallons of #4 fuel oil in the Preferred Boiler during any consecutive 12 month period;

In the event compliance is not achieved within the time periods indicated, DES may initiate formal action against Homestead including issuing an order requiring the deficiencies to be corrected, and/or referring this matter to the NH Department of Justice for imposition of civil and/or criminal penalties. DES reserves the right to pursue administrative fines for the violations noted above.

Please address all information to Raymond Walters, at the following address

NHDES Air Resources Division
Compliance Bureau
6 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Please be advised that DES will continue to monitor Homestead's compliance status and that this letter does not provide relief against any other existing or future violations. It is important that Homestead be aware of all the requirements stipulated in its Permit. Please feel free to contact DES should you have any questions regarding compliance with the NH Code of Administrative Rules Env-A 100-3800 and the requirements of the Permit. A current copy of the Air Resources Division rules can be obtained from the DES website at www.des.state.nh.us/ard/ardrules.htm, or by contacting the Public Information Center at (603) 271-2975. If you have any questions regarding this matter, or require further information please contact Raymond Walters at (603) 271-6288 or Mary Ruel at (603) 271-6795.

Sincerely,



Pamela G. Monroe
Administrator, Compliance Bureau
Air Resources Division

Enclosure
PGM/raw

R. Scott, Deputy Director, NHDES-ARD
G. Rule, NHDES-O/C
T. McCusker, EPA Region I
C. Beauregard, Chairman of Selectmen, Town of Swanzey
Enforcement File